

United States District Court  
Southern District of New York

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Securities and Exchange Commission

vs.

No. 71 Civ. 2695

Samuel H Sloan & Co.

Samuel H. Sloan

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Motion to Vacate Injunctions

Samuel H. Sloan, being duly sworn states:

1. On June 24, 1971, I consented to a preliminary injunction enjoining me from violating federal securities laws and the rules promulgated thereunder, without stating what, if any, laws and rules I had allegedly violated or in what way. This injunction was based almost entirely on the allegations of SEC Investigator Sheldon Kanoff.
2. Since then 50 years have passed and there have been no allegations against me since that time. In addition, Kanoff himself has since then been convicted and sentenced to prison for violations of federal securities law. Kanoff years later pleaded guilty to participating in a trading scheme intended to funnel money to “unnamed organized crime figures.”↑ He has since died and gone to Hell. Therefore I am moving to vacate the 1971 consent injunction. I need to find the original injunction but unfortunately the records of this federal case are on lockdown. I have been many times to the National Archives on 1 Bowling Green, only to be told that the records there have been closed since 2012 before the Pandemic and cannot be accessed. The clerk's office at 500 Pearl Street have searched and have told me the documents are in Box 72 but we have been unable to find this case or this box.
3. Based on my recollection I can state that the injunction simply enjoins me from violating the law. This is obviously a tautology. I can state that the attorneys on the case were Jerome Selvers and Alan Rashes. Both of them are still around but are not involved with the SEC or with securities law. They were both recently interviewed by a journalist, J. C. Hallman, author “The Chess Artist” ISBN 9780312272937 in writing an article “When Mr. Sloan went to Washington” published in [The New Republic](#). ISSN 0028-6583 he tried to get to the bottom of the question of why the SEC had expended considerable time and resources over a period of years to get Sam Sloan who had committed no crime or had even inconvenienced anybody.
4. The answer he received from Selvers and Rashes was simply that the case had been

assigned to them. As in "The Charge of the Light Brigade" "There's not to reason why."

As Jimmy "the Weasel" Fratinello teaches in "The Last Mafioso", the Mafia knew not to put the hit on legitimate businessmen but only to go after those who could not call in law enforcement because they had something to hide.

5. Even people working for the SEC during that time have asked me what was their ulterior motive or hidden reason for their 'intense energy' in going after me. Had they researched my background, they might have found out that I was a student leader at the University of California at Berkeley during the Free Speech Movement in 1964-1966 and therefore not an easy target.
6. Back then I was a market maker in over-the-counter stocks and bonds. I made markets in as many as five hundred stocks per day. I published my bid and asked prices in the pink sheets published by the National Quotation Bureau. There were quotes for ten thousand stocks and bonds listed in the daily pink sheets and about two hundred market makers listing their quotations there. This was before NASDAQ was developed. The best known market makers were Troster Singer, Singer and Mackie, GA Saxton and New York Hansiatic. Also there were market makers in Jersey City New Jersey, to avoid the cent and a quarter New York State Transfer Tax. The principal market makers in Jersey City were MS Wein and Robert Tanney. Other well known market makers in New York were VF Naddeo, Sherwood Securities, Carr Securities, Mayer & Schweitzer, Plymouth Securities, AJ Carno, Martin Joel, WV Frankel, Carl Marks, Martinelli, Lapham, Alesandrini and many others.
7. Many of us had the same attorney and accountant, Robert W. Taylor who was both a CPA and an attorney.
8. However one-by-one the SEC Started putting them out of business. As far as I know, all of them are out of business today. Even the gigantic securities trading firm Salomon Brothers is gone now. Goldman Sachs still exists but no longer makes markets.
9. What the SEC failed to appreciate was that people had invested their money in these stocks. By putting the market makers out of business, the public investors had lost their money because there was nobody left to buy their stocks. I still have a box of old stock certificates from that time. It was a case of curing a disease by killing the patient.
10. For years after I made my living mining that box of stock certificates because I would never know when they might become valuable. A company might lie dormant for years and then suddenly spring to life. The most extreme example was a stock that had traded at ten cents per share and then almost overnight went up to \$14 per share and I had more than two thousand shares. I got a wife and my first born child as a result of this.
11. Sheldon Kanoff the SEC investigator knew absolutely nothing about securities or accounting. He had never worked on Wall Street. He had no training knowledge or experience in securities of accounting. He did not even know the difference between a stock and a bond. Before establishing my own firm, I worked two years for the distinguished New York Stock Exchange Member Firm of Hayden, Stone. The New York Stock Exchange is much older than the United States of America. The New York Stock Exchange was established under a Buttonwood Tree on what is now Broad Street. All the members signed an agreement establishing fixed commissions in trading stocks with each other. This changed forever on May 1, 1975, a date commonly referred to on Wall Street as May Day. This was the date when brokerages were first allowed to set their own commission rates rather than charging a set uniform price for stock trades. The result has been the major brokerage firms could no longer make money and almost all of them have since merged or have gone out of business.

12. I once received a visit from an SEC investigator. He wanted to know about a check I had written for \$37 to Lawson Tailoring, a tuxedo rental company. I explained that I would be attending the STANY Dinner, the dinner of the Securities Trade Association of New York and it was standard to wear a tuxedo to this event. This same SEC investigator came back two more times again asking about this check for \$37. I finally realized he was asking about my lawyer and accountant Robert W. Taylor. Of course, Robert W. Taylor had nothing to do with the STANY Dinner or with this check. So I went to the office of Robert W. Taylor at 176 Broadway and told him and asked him about this. He explained that this was just one of many investigations by the SEC to harass brokers and people in the financial industry. The next time I saw Robert W. Taylor he was carrying boxes to his car parked on Broadway. He explained that he was retiring but it was evident to me that the SEC had frightened him or was putting him out of business.

13. During this period, almost every day an article would appear on the Dow Jones Broad Tape saying that this or that brokerage firm had consented to an injunction without admitting or denying the charges. Even the giant securities firm Salomon Brothers was enjoined. I knew I had made the big time when my name too appeared on the broad tape.

14. I learned securities law on my father's knee. My father Leroy Bayfield Sloan (1910-1986) was an attorney and a member of the Virginia State Bar. He was a career officer of the Internal Revenue Service. He never gave people advice on how to beat the income taxes. He always wanted them to pay more.

15. It is a coincidence that as I am writing this the decision came down reversing the infamous decision of Roe vs. Wade. I read and studied the original decision back when it was made in 1973. I was always sure it would be reversed for the simple reason that it was based on the Right to Privacy. There is no such right in the US Constitution or in the Bill of Rights. I wish there were as I was the President of the Sexual Freedom League at the University of California at Berkeley. Every day girls would come to my campus table asking for advice on how to get an abortion. You can see a picture of my campus table on the cover of my book at ISBN 9784871873970 . From this, I became aware of the thousands of girls who wanted an abortion but were not willing to give up sex.

16. I tried to have an attractive girl sitting at my campus table every day. She was required to be an officially registered student at the University of California at Berkeley. She would distribute my literature, discuss Sexual Freedom issues and sell my buttons with slogans such as "Make Love Not War". The infamous Free Speech Movement was fought over this when the university administration tried to close down these campus tables. I paid these girls \$1.25 per hour to sit there which was real money at that time. There came a time the girl I had sitting at my Campus Sexual Rights Forum table had received an inquiry as to whom was our leader. I was told it was asked by the Executive Director of the Student Union. I got scared because I feared she would close down our campus tables. So I went into the ASUC Building and asked to speak to the director. She invited me in to her office and closed all the doors tightly. It turned out she needed an abortion. As I was President of the Sexual Freedom League it was my obligation to get her an abortion without charge. The standard was that girls who wanted an abortion would do "volunteer work" such as distributing our anti-abortion law literature for five hours and then we would tell her where to go for the abortion.

17. I had no public Customers. In New York, I had two Icelandic girls working for my securities trading firm. They were Hafdis Einarisdottir, also known by her Americanized name Heidi Simonarson and Johanna Baldursdottir. They were both about 21. I got them as a result of the Bobby Fischer vs Boris Spassky match for the World Chess Championship Match in Reykjavik, Iceland which I had attended. I sent Heidi out every morning to deliver the stock certificates of

securities I had sold and in the afternoons she would pickup the checks from the brokers. Sometimes I received bad news as sometimes the brokers were going out of business. Since then, Heidi was last known to be working for Icelandic Airlines. She checked me in at the airport when I last flew to Iceland. Johanna Baldursdottir was my bookkeeper. It was absolutely not true that my books and records were ever out of date.

18. When this case SEC vs. Sloan was initially filed, my attorney was Roy L. Weiss who had been recommended by a friend. He pressured me into agreeing to a preliminary injunction by saying that if I did not agree the SEC might bring a criminal case against me. I later found out that the SEC lacks the legal authority to bring a criminal case. All they can do is refer the case to the Department of Justice, which they had not done. So I dropped Roy L. Weiss from representing me and got Robert W. Taylor who had been recommended by Joe Barton, a member of the SEC enforcement staff.

19. As a registered Broker-Dealer I was required to file a certified financial statement every year. The first year I got CPA Marty London to do our financial statements. After that, I got Robert W. Taylor to do them. Sheldon Kanoff never even looked at my financial statements. Instead he made his own calculations out of his head. He had no accounting or securities background so he was constantly making preposterous or ridiculous statements. He never explained his background. How he got a job working for the SEC I do not know. I complained about him to the SEC higher-ups to no avail.

20. In summary, there was never any basis for the SEC to bring this case against me. The records of the SEC even show that the Commissioners voted down the bringing of this case. I have since won a case against the SEC in the United States Supreme Court. SEC vs. Samuel H. Sloan, 436 US 103 (1978) This injunction has affected my personal life. I cannot even open a personal account with any stock brokerage firm because of this injunction. I cannot even place a bet on a professional football game with the bookies in California because of this case. They are afraid they will be investigated. Sheldon Kanoff has died and gone to Hell so there is nobody left to testify against me. Nobody even remembers this case. The original records of this case cannot be obtained. There is no provision or rule under the Securities Exchange Act of 1934 that says that the books and records must be "adequately maintained". There is no case in the law books like this one. This case has been pending for more than 50 years. Therefore, this case must be dismissed and the injunction vacated.

WHEREFORE, this case must be dismissed and the injunction vacated.

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